

# POINT OF VIEW

January 12, 2004

Howard H. Baker, Jr.

## Japan, U.S. share both risks and rewards

This past year was difficult and dangerous, but one of great accomplishment. We freed Iraq from a brutal dictator, and captured him. Afghanistan, itself recently freed from oppression, has adopted a new Constitution that will light its path to democracy. President George W. Bush formulated a Middle East "road map" that brings hope to a troubled region.

We reached international consensus on the need to halt the proliferation of weapons of mass destruction. Japan showed leadership and moral commitment hosting a key conference on international development for Africa.

Both the Japanese and American economies are stronger than they were a year ago, which in turn makes every other economy in the world stronger. We concluded a number of significant bilateral agreements, including a tax treaty and a social security equalization agreement, and were delighted to see a revision of the Japanese Commercial Code, the first in a century, that will open doors to opportunity for Japanese and Americans alike.

President Bush visited Japan, demonstrating the strength and importance of our bilateral relationship.

There is still much to do, however. I think the most important issue we need to resolve is the threat emanating from the Korean Peninsula, a grave concern to the United States, and, of course, to Japan. I hope the talks resume and lead to a complete, irreversible and verifiable dismantling of North Korea's nuclear development program, and a resolution to the continuing human tragedy of the abductees and their families.

We are winning the war on terrorism, and must not let up in that struggle. We will continue working to bring stability to Iraq, and reduce tensions throughout the Middle East.

We must get the World Trade Organization process back on track and regain momentum for an international economic process that will benefit both the developed and the developing world.

Japan and the United States must continue to work closely together to stimulate bilateral investment and deregulation that will provide opportunities for the entrepreneurs of both nations. Food safety is an important public health issue, and an important economic issue as well. The discovery of one BSE-infected cow in the United States will probably cost American agriculture \$1 billion in exports. I am confident that Japan and the United States will find a way to work out the resumption of safe beef exports, which will benefit both of our countries.

The United States has long advocated a seat on the United Nations Security Council for Japan, and recently announced our support for Japan's candidacy to become the home of the ITER thermonuclear reactor project. I hope that we see both of those goals realized.

To maintain its economic leadership, Japan needs to resolve its banking issues, especially its bad loan problem. This is of great importance to the United States and the rest of the world as well. We are dependent on each other, and we can't afford to have the world's second largest economy not doing well.

I am both hopeful and confident that Japan will implement aggressive reforms to settle this matter, because what's good for Japan is good for the United States, and what's good for the United States is good for Japan.

Business and industry are significantly affected by world events. In the aftermath of 9/11, the international travel industry has suffered greatly, and the U.S. government was forced to change its procedures for visitors. Our new worldwide visa application process may be somewhat inconvenient, but I hope that everyone understands the reasons for these precautions.

Security measures do impact the economy, so not only as good neighbors, but also as prudent businessmen, we are striving to make the visa process as seamless and secure as possible.

And a strong, vibrant Japanese economy has security implications as well as economic considerations, because Japan is the anchor that keeps the region from going adrift. We want and need Japan to succeed.

Japan is a world power. That role is not limited to business and economics, but extends to development and assistance, science and technology, and international security issues.

Japan is a sovereign state that must make its own decisions, but those decisions affect everyone else, and like the United States, it must find solutions to its immediate concerns without sacrificing its long-term vision.

The international community needs Japan to be a world leader. I am encouraged, therefore, by Japan's historic constitutional debate as it defines its role on the international stage. Prime Minister Junichiro Koizumi has proven to be a courageous leader in the war on terrorism. I congratulate Japan for its dispatch of Self-Defense Forces personnel to Iraq on a humanitarian mission, and its generous pledge at Madrid for Iraq reconstruction.

We live in a hard world, and we need to make many hard decisions. The harder those decisions are, the more people will disagree with you, whatever choice you make. But Japan has decisions to make about what kind of country it wants to be, what kind of world it wants to live in, and how it will achieve those goals.

Relations have never been stronger between the United States and Japan. The partnership between Japan and the United States is vital to both countries, and indeed to the region and the world. All of our interests are related. Our economic health and our public health, our security environment and our natural environment, all are joined together, and our fates are intertwined.

We mourn with Japan the loss of its two brave diplomats. Whether we want to or not, we share the risks. Working together, we will also share the rewards.

\* \* \*

The author is U.S. ambassador to Japan. He contributed this comment to The Asahi Shimbun.(IHT/Asahi: January 12,2004) (01/12)